

## WHAT IS AN ENHANCED USE LEASE?

Enhanced use leases are opportunities for the Air Force to partner with private industry by leasing non-excess real property assets. Private industry can then use the leased property to develop office space, hotels, warehouses and industrial buildings, laboratories and research and development facilities and energy developments, just to name a few!

## WHY IS THE AIR FORCE INTERESTED IN EUL?

The Air Force is facing new demands on its resources, including budget shortfalls, rising fuel prices, the costs of fighting the global war on terror and restrictions on retiring weapons systems. Non-excess real estate and facility space on installations are costing the Air Force millions of dollars in energy expenses, as well as operations and maintenance (O&M) costs. Leasing those assets has the double benefit of reducing costs and creating new resources. EUL, led by the Air Force Real Property Agency, is an asset management initiative to fully utilize, optimize and leverage Air Force assets.



*Solar energy projects are among the endless opportunities provided by the Air Force Enhanced Use Lease Program.*

## Air Force Real Property Agency

### Enhanced Use Lease - Energy

Endless opportunities  
for Energy Solutions

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# AFRPA

## Endless opportunities...

## Energy solutions that create value for businesses, communities and the Air Force

TODAY THE AIR FORCE IS OPTIMIZING AND LEVERAGING ITS ASSETS WHILE CAPITALIZING ON ENERGY OPPORTUNITIES. IN THIS HIGHLY UNCERTAIN ECONOMIC CLIMATE, REGIONALLY CONSTRAINED ELECTRICAL GRIDS, AND THE INCREASING COMPETITIVENESS OF RENEWABLE ENERGY SOURCES MEANS THE AIR FORCE MUST LOOK FOR WAYS TO DIVERSIFY AND EXPAND ITS ENERGY PORTFOLIO.

### WHAT ARE THE BENEFITS OF EUL?

EUL offers win-win benefits for Air Force installations, developers and the local community.

#### Developers

Through EUL projects, developers can establish long term relationships with private and government partners who are potential tenants with specific real estate needs. Developers can also receive market rates of return on design, construction, maintenance, tenant leases and property management activities.

#### Defense Communities

EUL projects cultivate meaningful support and improvement for the surrounding community by providing job opportunities, which helps to stimulate economic growth. Air Force and community relationships are also strengthened as EUL enables joint cooperation to accomplish mutual goals.

#### Air Force Installations

The installation will see returns on non-excess property assets in the form of in-kind consideration such as services, equipment, or even buildings. These all go a long way in supporting the service's mission and returning value to the American warfighter.

### ENDLESS OPPORTUNITIES

The Air Force Real Property Agency's (AFRPA's) EUL program generates energy solutions by making highly-valued property available to developers seeking to partner with the Air Force. AFRPA is considering a wide range of renewable energy technologies, including wind, solar, biomass, waste-to-energy, landfill gas and geothermal power as well as other alternative fuels, including ethanol, biodiesel, natural gas, and coal-to-liquid technologies to help the Air Force achieve its goal to reduce its energy footprint and achieve greater energy security.

### CURRENT PROJECTS

AFRPA has energy-focused EULs currently in the Business Case Analysis (BCA) or the Request for Qualifications (RFQ) stage at the following Air Force installations:

- » Edwards AFB, California - Solar
- » Kirtland AFB, New Mexico - Solar
- » Travis AFB, California - Solar

AFRPA also continues to identify energy opportunities at Air Force properties nationwide that may provide value to the Air Force due to rapidly changing energy economics and regulatory policies.

### AFRPA AND AFCESA: A PARTNERSHIP FOR SUCCESS

AFRPA Energy EULs focus on potential energy production for sale to the private market. The Air Force Civil Engineer Support Agency (AFCESA) oversees energy developments that sell energy to the base.

### WHAT CAN AFRPA DO FOR ME?

AFRPA is committed to providing premier real estate and energy expertise to all Air Force installations looking to embark on EUL projects. AFRPA is ready to support your needs with a team of real property, financial, and legal professionals who:

- Ensure transaction execution is thorough and communication among all stakeholders is consistent and effective. The AFRPA team will be there at every step of the process from obtaining fair market value through negotiating and closing the deal.
- Maximize returns while minimizing financial risk
- Mitigate any risks, ensuring leases comply with Air Force policy and Federal statutes. Post-closing, the AFRPA team will be there to ensure project owners understand and adhere to the terms of the lease.

AFRPA provides a spectrum of support services including public affairs, environmental, specialized technical support, and facilitating partnering with other agencies throughout all phases of the EUL process.

## AFRPA ENHANCED USE LEASE PROGRAM PROCESS

### PHASE I:

#### CONCEPT IDENTIFICATION

- Identify and Evaluate Candidates
- Perform Concept Opportunity Study
- Obtain Concept Approval



### PHASE II:

#### PROJECT DEFINITION & ACQUISITION

- Develop Concept & Perform Business Case Analysis
- Conduct Industry Forum Day
- Issue RFQ
- Evaluate Proposals
- Select Developer



### PHASE III:

#### LEASE NEGOTIATION & CLOSING

- Negotiate Lease & Transaction Documents
- Congressional Notification
- Execute Lease



### PHASE IV:

#### PROJECT MANAGEMENT

- Track Cash or In-Kind Consideration
- Monitor Lease Compliance
- Portfolio Management



### PHASE V:

#### PROJECT CLOSEOUT

- Determine Mission Requirements
- Terminate or Renegotiate Lease